

House Engrossed Senate Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
Senate
Forty-ninth Legislature
Second Regular Session
2010

CHAPTER 235

SENATE BILL 1062

AN ACT

AMENDING SECTION 13-3302, ARIZONA REVISED STATUTES; RELATING TO GAMBLING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 13-3302, Arizona Revised Statutes, is amended to
3 read:

4 13-3302. Exclusions

5 A. The following conduct is not unlawful under this chapter:

6 1. Amusement gambling.

7 2. Social gambling.

8 3. Regulated gambling if the gambling is conducted in accordance with
9 the statutes, rules or orders governing the gambling.

10 4. Gambling that is conducted at state, county or district fairs and
11 that complies with section 13-3301, paragraph 1, subdivision (d).

12 B. An organization that has qualified for an exemption from taxation
13 of income under section 43-1201, paragraph 1, 2, 4, 5, 6, 7, 10 or 11 may
14 conduct a raffle that is subject to the following restrictions:

15 1. The nonprofit organization shall maintain this status and no
16 member, director, officer, employee or agent of the nonprofit organization
17 may receive any direct or indirect pecuniary benefit other than being able to
18 participate in the raffle on a basis equal to all other participants.

19 2. The nonprofit organization has been in existence continuously in
20 this state for a five year period immediately before conducting the raffle.

21 3. No person except a bona fide local member of the sponsoring
22 organization may participate directly or indirectly in the management, sales
23 or operation of the raffle.

24 4. Nothing in paragraph 1 or 3 of this subsection prohibits a licensed
25 general hospital, a licensed special hospital or a foundation established to
26 support cardiovascular medical research that is exempt from taxation of
27 income under section 43-1201, paragraph 4 or section 501(c)(3) of the
28 internal revenue code from contracting with an outside agent who participates
29 in the management, sales or operation of the raffle if the proceeds of the
30 raffle are used to fund medical research, graduate medical education or
31 indigent care, ~~provided that~~ AND the raffles are conducted no more than three
32 times per calendar year. The maximum fee for an outside agent shall not be
33 ~~greater than~~ EXCEED fifteen per cent of the net proceeds of the raffle.

34 C. A state, county or local historical society designated by this
35 state or a county, city or town to conduct a raffle may conduct the raffle
36 subject to the following conditions:

37 1. No member, director, officer, employee or agent of the historical
38 society may receive any direct or indirect pecuniary benefit other than being
39 able to participate in the raffle on a basis equal to all other participants.

40 2. The historical society must have been in existence continuously in
41 this state for a five year period immediately before conducting the raffle.

42 3. No person except a bona fide local member of the sponsoring
43 historical society may participate directly or indirectly in the management,
44 sales or operation of the raffle.

1 D. A NONPROFIT ORGANIZATION THAT IS A BOOSTER CLUB, A CIVIC CLUB OR A
2 POLITICAL CLUB OR POLITICAL ORGANIZATION AS DEFINED IN SECTION 16-901 MAY
3 CONDUCT A RAFFLE THAT IS SUBJECT TO THE FOLLOWING RESTRICTIONS:

4 1. NO MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE CLUB OR
5 ORGANIZATION MAY RECEIVE ANY DIRECT OR INDIRECT PECUNIARY BENEFIT OTHER THAN
6 BEING ABLE TO PARTICIPATE IN THE RAFFLE ON A BASIS EQUAL TO ALL OTHER
7 PARTICIPANTS.

8 2. NO PERSON EXCEPT A BONA FIDE LOCAL MEMBER OF THE SPONSORING CLUB OR
9 ORGANIZATION MAY PARTICIPATE DIRECTLY OR INDIRECTLY IN THE MANAGEMENT, SALES
10 OR OPERATION OF THE RAFFLE.

11 3. THE MAXIMUM ANNUAL BENEFIT THAT THE CLUB OR ORGANIZATION RECEIVES
12 FOR ALL RAFFLES IS TEN THOUSAND DOLLARS.

13 4. THE CLUB OR ORGANIZATION IS ORGANIZED AND OPERATED EXCLUSIVELY FOR
14 PLEASURE, RECREATION OR OTHER NONPROFIT PURPOSES AND NO PART OF THE CLUB'S OR
15 ORGANIZATION'S NET EARNINGS INURES TO THE PERSONAL BENEFIT OF ANY MEMBER,
16 DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE CLUB OR ORGANIZATION.

APPROVED BY THE GOVERNOR MAY 6, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 6, 2010.